(c) and (d) The Government have approved on 24th April 2002, a New Industrial Policy and other concessions which include, *inter-alia*, extension of Excise duty exemption and setting up of Jammu and Kashmir Development Finance Corporation, etc., for implementation in the State of Jammu and Kashmir.

Reduction in deposit rates of banks

5034. SHRI RUMANDLA RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether with a substantial increase in bank deposit on the one hand and a decline in credit offtake on the other, banks are left with no option but to reduce the deposit rates;

(b) if so, whether the RBI is also going to reduce the interest rate on its relief bonds;

(c) if so, whether any guidelines in this regard have been issued to the banks by the Government; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Reserve Bank of India (RBI) has reported that in view of the comfortable liquidity conditions, both deposit and lending rates of commercial banks had softened in the recent period.

(b) to (d) Government of India *vide* Gazette notification issued on 28.2.2002 have reduced rates of interest on Relief Bonds from 8.5% to 8% per annum with effect from 1st March 2002. The post maturity interest on Relief Bonds of earlier series has also been reduced to 8%.

Small savings scheme for pensioners

5035. SHRI KARNENDU BHATTACHARJEE: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to announce a special small savings scheme for the benefit of pensioners;

(b) if so, the details thereof and if not, the reasons therefor; and

(c) the steps proposed to be taken to offer relief to the pensioners to compensate for the exemptions withdrawn in the 2002-2003 budget?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) There is no proposal under